

Equine Trust Advisory Group

February 2, 2016

Meeting Minutes

The Equine Trust Advisory Group met Tuesday, February 2, 2016 at 1:00 p.m. ET, at the Council on Postsecondary Education, Conference Room A, Frankfort, Kentucky. CPE Staff Jay Morgan presided.

WELCOME AND ROLL CALL

The meeting of the Equine Trust Advisory Group was called to order by Dr. Jay Morgan. The following members were present: Sara Malone (MoSU), Tony Brannon (MuSU), Brian Parr (MuSU), Lesley Oliver (UK), Rebecca Bowman (CPE, Administrative Services), Shaun McKiernan (CPE, Finance), and Haley Russell (CPE Staff to the Committee).

Dr. Morgan called the meeting at 1:00 p.m. and the group went around the table and introduced themselves. Those not in attendance were Timothy Capps (UL) and Linda Brown (WKU). Dr. Morgan began the group discussion by walking through the agenda, explaining the items and introducing CPE staff Rebecca Bowman and Shaun McKiernan.

DISCUSSION OF TIMELINE

First, the group discussed the one-page timeline chronicling reporting due dates, and contractual agreements. The group agreed on the following timeline.

THIS YEAR	
February	CPE will issue payment to institutions who have submitted invoices for \$120,000.
	CPE will modify contracts (increasing FY2015-16 funding to \$200,000 per institution).
	Institutions will agree to the modified contracts.
	Institutions will submit a budget/spending plan for the additional \$80,000.
	Institution will submit invoice for funds not previously requested (\$80,000 or \$200,000)
GOING FORWARD	
July 1	Start of fiscal year
October 1	Detailed expenditure report from prior fiscal year due (Must include starting and ending balance)
	Budget from each institution for current fiscal year is due
	Institutions can submit invoice for half of the first fiscal year's funding
March 1	Institutions can submit invoice for second half of

	the fiscal year's funding.
June 30	End of fiscal year

REVIEW OF PROCESSING, REPORTING, AND INVOICING

Dr. Morgan led the group in a discussion concerning the reporting to date and requested further detail in future expenditures. Dr. Brannon confirmed whether the contract was still on a biennium basis; Rebecca Bowman confirmed that it is.

Shaun McKiernan discussed reporting further and reviewed the regulations stating that Equine Trust Fund moneys be spent only on capital expenditures, which will generally exceed \$5,000. Budgets for upcoming expenditures can be rounded off, but for detailed expenditure reports on prior fiscal years, vendor information and descriptions will be necessary in the coming months. Dr. Oliver from UK asked about using funds for special capital projects and moving funds into a separate project account to do so. Rebecca confirmed as long as detail on the project is received.

The group discussed the definition of capital expenses versus operating. Rebecca gave hay as an example of an operating expense. Dr. Brannon mentioned that historically the items have been maintenance of facilities or equipment, new construction, new equipment, saddles, and tack. The funds are not meant to replace institutional funds. Dr. Oliver mentioned bundling expenses to reach the \$5,000 capital expenditure mark. Historically, even if the expenses have not met the dollar amount but are still considered capital, they have been approved. Examples of operating expenses that are not funded through the regulations: hay, feed, salaries, medications, and veterinary costs.

The group should send invoices to Jasmin Thurman at the Council (jasmin.thurman@ky.gov) for distribution.

SPECIAL MODIFICATIONS

Shaun walked the group through the numbers relating to the Fund and explained that funding per each institution would be bumped to \$200,000 for the current fiscal year. The institutions would receive this \$80,000 increase when they submitted a request stating their plans for the extra dollars. Dr. Morgan noted the importance of consistency throughout and that even if the funding grew the following fiscal year, it may not maintain that growth. For institutions that had already submitted invoices, a separate invoice for the remaining \$80,000 would need to be sent in order to receive that funding (after the budget had been sent).

The group discussed the importance of keeping a cash flow and a small base to continue to roll funds forward; it was decided that a \$200,000 base was sufficient.

Shaun and Rebecca will both modify the institutions' contracts in the coming months to reflect the necessity of a detailed expenditure report for further clarification.

OTHER BUSINESS

The group discussed further meeting plans and it was decided that biannual conference calls would suffice.

Rebecca brought up the statute and regulation for the committee that mentions a representative from the horse racing industry need be on the committee. Historically, there had been no representative and both Rebecca and Shaun mentioned getting in touch with Travis Powell, the General Attorney at the Council to modify the regulations.

Dr. Brannon suggested creating a list of accounting persons at each institution in order to maintain efficiency. Haley will gather that information and begin including those individuals in future correspondence.

The meeting adjourned at 2:15 p.m.

*Submitted for Review 2/2/2016
Haley Russell, CPE Staff*